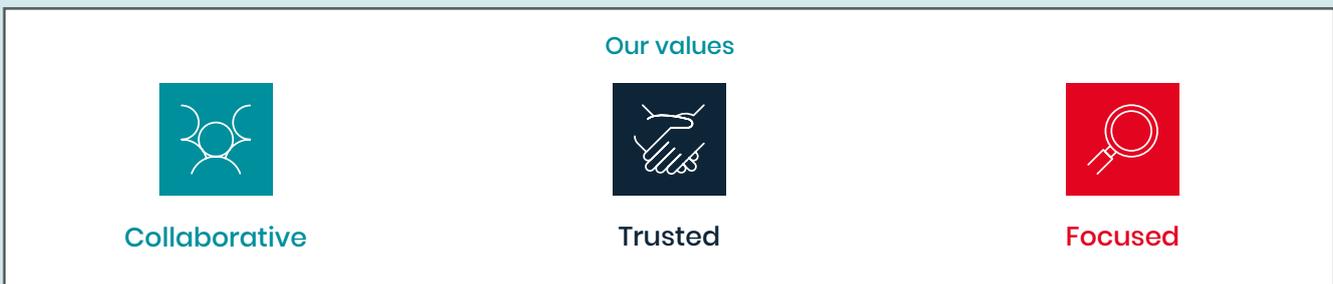
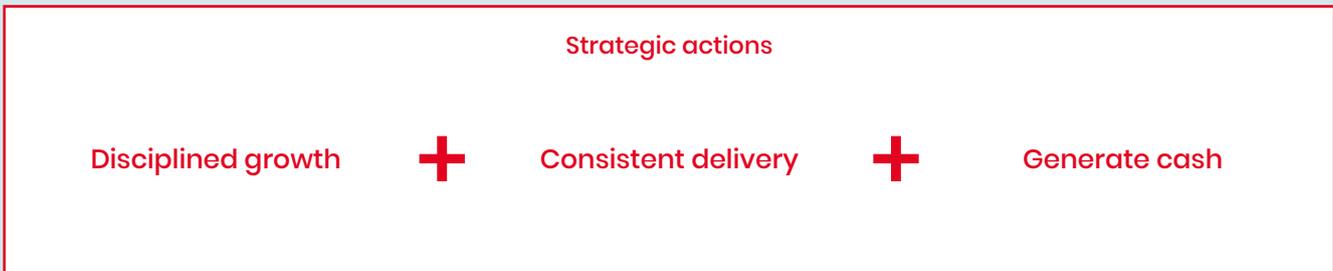
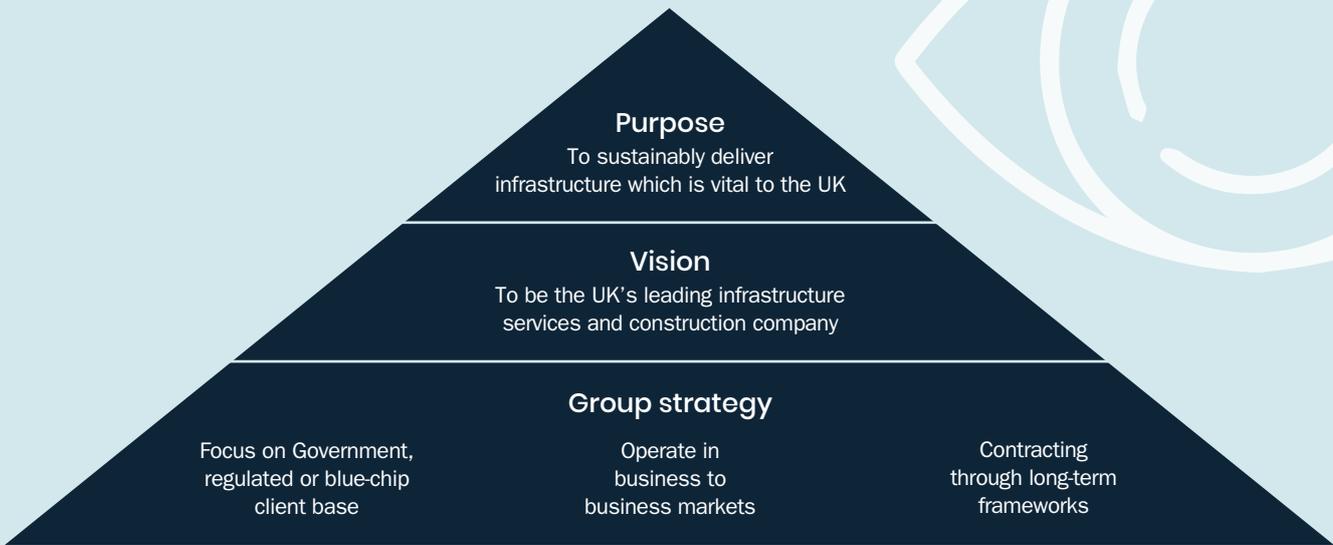


A strategy to deliver growth

Our medium to long-term strategy focuses on delivering organic growth by leveraging our attractive market positions to deliver a well-balanced range of infrastructure and construction services to our customers along with sustainable profitability and cash flow generation.

Group strategic framework



The Group's vision is to be the UK's leading infrastructure services and construction company.

1 Leverage our attractive market positions in growing markets



- › Use the Group's strategically positioned and locally established businesses in the UK to position the business in its core markets.

Current position:

Highways

- › Market-leading position (#1 strategic highways and top 3 local highways)
- › Established relationships with strategic clients on long-term frameworks typically six to ten years.

Infrastructure

- › Delivery partner on the largest section of the HS2 Phase 1 – Europe's largest infrastructure project
- › Approximately 89% of contracts delivered under cost reimbursable contracts.

Utilities

- › Top 3 contractor in water and energy sectors
- › Fibre optic build partner to Top 3 UK digital infrastructure providers
- › More than 90% of revenue from long-term contracts and alliances.

Construction

- › Leading UK national builder
- › Strategic supplier to the Department for Education, NHS and MoJ.

Property

- › A leading developer in the commercial occupier space
- › Joint venture partner to Network Rail.

Forward focus:

- › Strongly positioned in significant and growing markets to take maximum advantage of market opportunities e.g. National Infrastructure Spending Programme.

2 Maintain and enhance long-term customer relationships



- › The Group's businesses operate under long-term frameworks, which require strong client relationships and sector expertise
- › Maintain and enhance the Group's relationship with the UK Government, regulated and blue-chip client base.

Our progress this year:

£7.7bn

Total order book at FY21

£112bn

Positions of frameworks for the UK Government and regulated entities

Forward focus:

- › Continue to align the Group to our customers' needs
- › Win new business with low-risk profiles and attractive margins
- › Continue to deliver projects on time and to budget, thereby meeting clients' and customers' expectations.

3 Resilient and well-balanced business



- › Continue to grow in infrastructure services and construction markets
- › Expand Kier Property with a capital disciplined approach
- › Continue to develop existing maintenance and renewals capabilities through Kier Places
 - › Kier Places specialises in housing maintenance, environmental waste and facilities management services
- › Continue to leverage internal mechanical & engineering technical knowledge and support.

Our progress this year:

- › Disciplined growth in infrastructure and construction businesses
- › Kier Property designated as a core business. Measured capital allocation. Focused on disciplined growth within mixed-use commercial and residential developments in both the private and public sector – less speculative projects
- › Kier Places restructuring and re-focus complete having exited certain commercial contracts.

Forward focus:

- › Infrastructure and Construction – focus on market opportunities driven by UK Government spending
- › Kier Property – focus on employing capital efficiently and delivering appropriate returns
- › Kier Places – continue to align offering with UK Government spend focus e.g. £2bn Green Homes Grant and £1bn Building Safety Fund.

4 Deliver revenue growth, profitability and cash generation



- › Leverage human capital, competitive cost structure and customer relationships to grow revenue, adjusted operating profit and cash flow generation
- › Continue to use Performance Excellence.

Our progress this year:

£100m

Adjusted operating profit in FY21

Successfully executed the Group's strategic actions to simplify the business and strengthen the balance sheet and improve cash generation

£93m

Free cash flow in FY21 (FY20: £(8)m)

Successfully managed costs despite an unprecedented pandemic

£110m

Successful sale of Kier Living

£241m

Capital raise

c.£115m

Annualised cost savings run-rate

Focused on sustainable earnings and cash

Forward focus:

- › Continue to grow the business organically.



Strategy in action

Delivering next generation broadband across the UK

The challenge

Through the National Infrastructure Strategy, the UK Government has set a target to deliver gigabit-capable broadband to 85% of the country by 2025. The target also supports the UK Government's agenda of 'levelling up' the UK by improving mobile connectivity and reducing the digital divide. The demand for broadband services has also increased in light of the pandemic with many of the UK population working from home.

The solution

Kier has been a key provider of telecoms infrastructure for 20 years with the strength and depth of skill to support the roll-out of broadband infrastructure. Kier has secured major contracts with the UK's three largest broadband providers: Openreach, Virgin Media and CityFibre. As a trusted delivery partner, Kier is building full fibre networks in urban and rural areas, including hard to reach homes, in Scotland, the South West, South East and central regions of England.

The impact

Over the past 12 months, Kier has mobilised its teams and to date has installed over 100,000 kilometres of full fibre broadband to over 150,000 homes and businesses to support post-pandemic hybrid working and digital connectivity.

Through this pipeline of work, Kier is also providing wider economic benefits in the areas in which it works. It has grown its direct workforce across these contracts by 45% and invested in local communities by working with hundreds of local supply chain partners. It has also set up a training academy at its base in Basingstoke, offering people the chance to join the telecoms industry. Since December 2020, the academy has provided opportunities for over 50 apprentices, 35 graduates, a number of prison leavers as well as those who have previously served with the armed forces.

“Great connectivity is more important than ever, whether it's to support home working, to keep in touch with family and friends, or to access digital services like health and education. Full fibre broadband enables this in spades, and we're ramping up our own efforts to build our new network to as many homes and businesses across the UK as we can.

This is one of the largest infrastructure projects in the UK today, and if we're going to deliver the enormous social, environmental and economic benefits that full fibre can bring, it's important we can build the new network efficiently, safely and without compromising on quality.

We're delighted to be partnering with Kier because they'll be pivotal in helping us achieve those aims for our customers and for the UK as a whole.”

KEVIN MURPHY

MD for Fibre and Network Delivery at Openreach